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THE ADDIS ABABA STRATEGIES FOR REVITALIZING AFRICA'S TRADE RECOVERY AND GROWTH IN THE 1990s

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THE DRAFT ADDIS ABABA STRATEGIES FOR REVITALIZING AFRICA'S TRADE RECOVERY AND GROWTH IN THE 1990s

Adopted by

THE CONFERENCE OF AFRICAN MINISTERS OF TRADE
(Addis Ababa, Ethiopia, 17 November 1989)

I. INTRODUCTION

1. We, the Ministers of Trade, meeting in Addis Ababa, Ethiopia from 17 to 18 November 1989, have carefully reviewed the implementation of the Lagos Plan of Action and the Final Act of Lagos in the field of trade. The Lagos Plan of Action laid firm foundations for implementing appropriate measures to enhance the contribution of trade to the development process, and continues to be relevant in our efforts to find solutions to trade expansion programmes. We are deeply concerned that despite the declaration made in the Lagos Plan of Action, very little has been implemented. As a result, Africa continues to experience the deepening socio-economic crisis which constitutes one of the most serious challenges facing the continent. The overall economic growth rate during the 1970s was 3.6 per cent but this was transformed into steady declines especially for the period 1980-1987 to a rate of only 0.5 per cent. The trade sector performed very poorly and was unable to support sustained growth rates. Output growth in industrial and food production were low compared with strong growth rates in population. In fact, with population growth rates almost outstripping GDP growth, the living standards for many people, especially in the rural informal sector, have been drastically reduced and welfare has declined as evidenced by wide-spread and endemic poverty.

2. These strategies, which we intend to implement in the 1990s in the field of trade, are to accelerate and operationalize the implementation of the Lagos Plan of Action. We have also taken into account the proposals contained in Africa's Priority Programme for Economic Recovery (APPER) 1986-1990, the United Nations Programme of Action for African Recovery and Development 1986-1990 (UN-PAERD) and the African Alternative Framework to Structural Adjustment for Socio-Economic Recovery and Transformation (AAF-SAP). We have formulated practical and imaginative policy instruments and measures for domestic, intra-African and international trade that would need to be implemented to reverse this situation. The strategies are built on the recognition that the contribution of the trade and export sector to growth in the process of structural adjustment, socio-economic transformation and recovery has to be clearly defined to link trade with changes in production, industry and

infrastructure as well as the supply factor inputs to increase the availability of goods and services.

II. ADVERSE TRENDS AND OBSTACLES IN AFRICA'S TRADE

3. Since the 1970s, Africa's trade performance - domestic, intra-African and international - had been disappointing. Africa's world trade had been marginalized despite efforts to strengthen our bargaining position in international negotiations. Domestic trade had not kept pace with demand functions as indicated by serious shortages of food, essential commodities and services in many parts of Africa. Intra-African trade had declined from an average of about 6 per cent in the 1970s to about 4.5 per cent in the 1980s. Similarly, as a result of stagnation in its exports, Africa's share of world trade dropped from about 4 per cent to about 2 per cent between 1970 and 1988. The prices of many agricultural and mineral primary commodities of export interest to Africa collapsed in 1981 to the lowest levels in fifty years. This was aggravated by uncertainties in export earnings, deteriorating terms of trade and fluctuations in the exchange rates of major world currencies to which many African national currencies were pegged. The combined effects of these was a drastic reduction in the performance of the export sector and increased balance of payments deficits. Largely as a result of the declining foreign exchange earnings, many African countries were unable to cope with the debt crisis which was manifested in huge and mounting external debt service obligations. The consequences of these developments have been the low or decreasing economic growth rates, continued wide-spread mass poverty and declining standards of living.

4. In order to mitigate these adverse trends, we have established subregional and regional institutions for trade expansion and co-operation. Among such institutions are the Central African Customs and Economic Union (UDEAC); Mano River Union (MRU); the Economic Community of West African States (ECOWAS); the West African Community (CEAO); the Preferential Trade Area for Eastern and Southern African States (PTA); the Southern African Development Co-ordination Conference (SADCC); the Economic Community of the Countries

of the Great Lakes (CEPGL); the Economic Community of the Central African States (ECCAS); and the Maghreb Union of Arab States (MUA). At sectoral level, institutions have been created to promote intra-African trade such as the Federation of African Chambers of Commerce; the West African Clearing House; the Central African Clearing House; and PTA Payments and Clearing House. Trade and Development Banks have also been established to promote trade.

5. It is, however, disturbing that despite the existence of these institutions, Africa's trade is still characterized by lopsided distribution and marketing policies in which serious shortages of consumption of goods and food exist side-by-side with surpluses within the same economy. This is partly explained by the inability of our countries to adapt to science and technology and partly the the low priority accorded to the rural areas in trade, services and information dissemination as well as trade financing and credit. At the same time, Africa's external sector continues to perform very poorly and there is persistent dominance of primary commodity exports in Africa's external trade largely because African countries have not yet found effective means to diversify such trade through increasing exports of manufactured, processed and semi-processed goods. Institutional and structural problems are also being encountered in the efforts to promote trade between African and other developing countries. The availability of up-to-date trade statistics and information as well as poor marketing strategies and export techniques will also constitute a major problem to be addressed.

6. Projections show that due to rigidities in the African production structures, the trade performance during the first half of the 1990s will continue to be disappointing. Domestic trade will have improved only slightly if priorities will continue to be placed on external trade. This situation will be aggravated by the low purchasing power of the rural populations especially in the informal and subsistence sectors in the wake of possible declines in real incomes. At the African level, although intra-African trade co-operation institutions will have been fully established in all subregions including North Africa, the lack of trained human and financial resources will prevent these institutions from being fully operational. Consequently,

the share of intra-African trade to total African's trade will still remain at an average level below 5 per cent, but in individual cases such as the Preferential Trade Area for Eastern and Southern African States (PTA), the share of intra-PTA trade will have grown much faster than its trade with the rest of Africa. Agricultural and mineral primary commodity exports will continue to dominate Africa's export efforts in the 1990s and only slight advantage would have been taken of the ACP-EEC Lomé Conventions to shift the structure of production towards diversification.

7. These adverse trends will continue to face our countries especially in the wake of the single European Common Market in 1992. This will also cast a shadow on Africa's overall ability to penetrate that market or to maintain its current share of trade in the wake of more ferocious competition by the newly industrialized countries (NICS) from other developing regions. The resulting shifts in the geo-political and economic relationship between European Economic Community on the one hand and individual trade blocs comprising the United States, Japan, Canada and the Socialist Countries of Eastern Europe on the other hand, will also present operational policy problems in Africa's external trade relations.

III. MAJOR TRADE ISSUES TO BE ADDRESSED IN THE 1990s

8. In order to address these issues and to accelerate the implementation of the Lagos Plan of Action in the field of trade, Africa's trade strategies and policy instruments for the 1990s, have to be significantly different from those adopted in the past. Therefore, the African countries will have no choice but to adopt programmes and strategies that can ensure their increased share in world trade in manufactured, industrial and processed goods. To this end, we will take concrete action to address the following issues:

(a) Domestic Trade

(i) Insufficiency or unavailability of manufactured consumption goods and services to be traded within the individual African countries;

(ii) Low levels of income in the rural areas resulting in low purchasing power and lack of credit facilities;

(iii) Inadequacy of pricing policies of domestic products and financial incentives for production;

(iv) Problems encountered in improving distribution and marketing arrangements to reverse the present consumption patterns in favour of domestically produced goods;

(v) Lack of storage, marketing, advertizing and information on domestic products especially in the wake of the diminishing role of Agricultural Marketing Boards;

(vi) Rigidities of consumption patterns and habits, especially excessive dependence on scarce staple food crops; and

(vii) Lack of trained personnel and capacities in marketing;

(b) Intra-African Trade

(i) Lack of visible commitment to reform or restructure existing production patterns to promote intra-African trade;

(ii) Absence of significant and visible benefits or gains from intra-African trade especially foreign exchange earnings; and the fear of possible loss of revenue;

(iii) Complexity of rules, legislation and procedures governing intra-African trade and prohibitive tariffs and non-tariff barriers;

(iv) Lack of harmonization of production resulting in similarity of products offered for intra-African trade;

(v) Non-convertibility of African currencies which hinder the expansion of intra-African trade;

(vi) Absence and inadequacy of supply of domestically produced goods for intra-African trade and insufficient information of the types and brands of marketable goods;

(vii) Unavailability of trade financing including foreign exchange, insurance and export credit facilities and the problem of establishing credit-worthiness by African traders. This problem is aggravated by the reluctance of commercial banks to provide such credit; and

(viii) Lack of competitiveness of domestically produced products vis-à-vis imported goods aggravated by consumer preference of imported products by African consumers especially the elite and the urban dwellers resulting in part from lack of trade promotion and marketing;

(ix) Lack of technological know-how to take advantage of advances in science and technology for intra-African trade.

(c) International Trade

(i) Narrow range of goods and services available for international trade coupled by absence of aggressive marketing strategies and information on such goods in the world markets;

(ii) Limited range of brands and goods identified as African origin and design;

(iii) Problems of identifying new market channels and resource constraints to exploit those markets through new product lines and brands;

(iv) Problems in supply dependability to ensure that once captured the markets are not lost to other supplies;

(v) Lack of adequate incentives and motivation for export promotion;

(vi) Problems of ensuring competitiveness including inadequate or inappropriate pricing policies, standardization and quality control, incentives and exchange rate policies, export duties and export credit and insurance facilities. This is exacerbated by the global technological innovations which render African commodities less competitive with synthetic substitutes;

(vii) Lack of adequate transport and communications, shipping and containerization and modernized ports;

(viii) Continued tariff and protectionist measures including subsidies in the industrialized countries which militate against African products; and

(ix) Restrictive trade and business practices by transnational corporations and other foreign investors;

(x) Control of trade and distribution channels by foreign entities, especially transnational corporations.

IV. STRATEGY FOR ENHANCING DOMESTIC TRADE

9. We are convinced that the strategy for the revitalization of domestic trade in the 1990s, is to improve the quality of life by inter alia providing all people, especially in the rural areas, with adequate and constant supplies of better quality goods, essential commodities and services. The institutional and operational framework for such trade entails the full participatory involvement of all communities at the grass-root level such as local

authorities, village associations, co-operatives, formal and informal credit and financial organizations, chambers of commerce and industry and governmental and non-governmental organization and the mobilization of human and financial resources in order to provide a sound and solid indigineous base for the transformation of the informal sector. It is particularly important that adequate recognition and full support should be given to the role of women in domestic trade as well as investment in small-scale and agro-industries to satisfy the basic needs. The main guiding principle is that without strong and adequate domestic trade structures, the implementation of programmes for poverty alleviation and rural development become impeded while disparities in the distribution of incomes between the rich and the poor become wider.

10. We also believe that strategies and policies designed to improve domestic trade performance involve the implementation of a number of inter-related policies which include land reforms that guarantee better access and entitlement to land for productive use as well as the enhancement of the role of women as agents of change and the modernization of the food production sector. This would in turn, increase the productivity of the informal sector as well as opportunities for gainful employment for a larger number of people and more equitable distribution of incomes and welfare. An important element of this process is greater participation of the target groups in the decision-making process at the national, local, village and grass-root levels to ensure that the local population can contribute to the planning, organization, production, distribution and marketing of goods and services in the national market.

11. Therefore, taking into account the decisions adopted at our eighth session, we now agree that African countries should at least double the volume of domestic trade by the year 2000. In order to achieve this target, we will implement the following policy instruments and mechanisms:

(i) The Ministers of Trade will identify appropriate institutions to undertake indepth evaluation of demand and supply constraints of specific selected products in our countries, so as to determine the food requirements of the population in all areas, in particular

the demand for different food grains to form the basis for domestic trade. If necessary, such an evaluation should indicate ways of introducing new staple food grains in areas affected by drought and chronic food shortages. To this end, we will make specific requests to the United Nations Development Programme (UNDP), the African Development Bank and other funding institutions to financially support the carrying out of the evaluations;

(ii) We will encourage the decentralization of Industrial Development to the rural areas. This will assist in the speedy development of the physical infrastructure (e.g. transportation, energy, water resources etc.) and also the provision of employment and this increase rural incomes and improve the standards of living of the rural populations, through increased participation in domestic trade;

(iii) We request the African Development Bank, in collaboration of the Economic Commission for Africa and commercial banks, to devise more effective systems for providing credit to small-scale traders, business enterprises, small-holder and medium-scale African farmers in order to improve the environment for increasing the production and marketing of simple goods including handicrafts. Special attention should be given to increase women's access to credit facilities and financial support;

(iv) The Food and Agricultural Organization (FAO) of the United Nations and the ECA is hereby requested to assist in developing adequate national trade distribution networks throughout the African countries as well as a system of buffer stock both in order to maintain steady price levels and to ensure adequate and even supplies during periods of high and low production. Such measures should include the establishment of physical plants and the development of new trade facilitation measures for the movement of goods and persons, especially between the urban and rural areas;

(v) We appeal to our colleagues the Ministers of Transport to evolve more effective programmes to assist traders and entrepreneurs engaged in domestic trade to have full access to transportation and distribution facilities to improve their performance; and

(vi) We request the International Labour Organization (ILO) and the International Trade Centre (ITC) to devise better training and skills up-grading programmes as well as new techniques for trade information, market research and trade promotion to be made available to local traders.

V. STRATEGY FOR ENHANCING INTRA-AFRICAN TRADE

12. The basic objective of the strategy for intra-African trade in the 1990s is to increase the share of intra-African trade to between 10 and 15 per cent of Africa's total trade by the year 2000. This would be achieved by diversifying the production structures to increase the variety of goods for intra-African trade. The emerging international economic situation suggests that one of the options which African countries have is to adopt appropriate policies to encourage trade within the framework of the South-South co-operation. It is recognized that diversion of trade from traditional North-South channels would be difficult to attain without some sacrifices to be made by the African countries. However, the trade strategy within the framework of collective self-reliance involves inter-related activities listed in the next few paragraphs.

(a) Comprehensive market research and analysis

13. The basic objective of the strategy should be to undertake adequate market analysis and establish strong linkages between production on the one hand and marketing and distribution on the other, to inter-alia, reduce the "excess capacity" in African countries. In the search for an enabling environment, we will undertake comprehensive market research and analysis to determine the basis for co-operation taking into account the demand and supply (actual

and potential), the structure of production and distribution in industry and agriculture, consumer preferences and habits and the purchasing power of the economies individually as well as collectively. To this extent, African business enterprises will be assisted by ITC and other relevant organizations to participate more effectively in trade promotion efforts, including participation in sub-regional and all-African trade fairs, roundtables and business tours to other African countries to enhance intra-African trade.

14. In implementing this strategy, we shall take appropriate steps to ensure that the supply and quality of produced goods is consistent with the patterns of demand especially in the existing sub-regional economic groupings. There is evidence to suggest that the high incidence of 'excess capacity' referred to earlier in a number of production lines in the African countries, is mainly due to the lack of adequate marketing research and analysis. Our governments will therefore plan industrial production by thoroughly assessing the variations in the 'demand' patterns so as to determine whether a particular line of production would really serve the needs of the communities. We shall also endeavour to ensure that market research is planned on a subregional or multinational basis to match the demand with the existing or planned production units. The coordination of industrial and agricultural projects cannot, therefore, be effectively achieved without an analysis and appropriate adjustment of the market structures.

(b) Restructuring domestic production in agriculture and industry

15. We recognize that basic element of the intra-African trade strategy is to restructure and harmonize production and distribution in industry and agriculture at the subregional level consistent with the objectives of collective self-reliance. Therefore, we agree to co-ordinate our economic policies and planning mechanisms to ensure a rapid rate of industrial production for intra-African trade expansion to take advantage of the trade liberalization policies and instruments identified in (a) below. To this end, we shall restructure domestic production in agriculture and industry to widen the base for exchanges so as to provide adequate and high quality goods at competitive

prices. This condition holds true for all modes of sub-regional trading arrangements and is of universal applicability in the development and expansion of the base for co-operation in trade at the African level.

(c) Trade Liberalization of Domestically-Produced Goods

16. In order to support the structures and policy instruments laid down in (a) and (b) above, we commit ourselves create an enabling environment through more effective programmes for trade liberalization and customs co-operation arrangements. Although it has long been recognized that the imposition of import duties and other restrictions on trade between African countries are major obstacles to fruitful co-operation in Africa, difficulties are still being encountered in implementing this. It should be recognized, however, that these restrictions are, by their very nature, harmful to both the countries imposing them as well as those countries against whom they are imposed. Therefore, we will devise generally acceptable techniques for trade liberalization in domestically-produced goods when these are moved from one country to another. That strategy should also provide mechanisms to compensate countries for possible loss of revenue.

17. In the new scheme for trade liberalization we shall emphasize the following basic principles: (i) granting "most-favoured-nation" treatment to goods originating in other African countries including preferences on industrial and agricultural products. This will have the effect of increasing opportunities for the establishment of new multinational industries within the groupings thereby ensuring a fair and equitable distribution of gains from co-operation in trade; and (ii) developing an effective system to compensate countries for the loss arising out of the gradual removal of all barriers and restrictions on the movement of goods and services among groups of countries. This can best be achieved through the increased use of the machinery already in place such as the sub-regional economic groupings as a basis for intra-African co-operation.

(d) The African Common Market

18. We take note that preparatory work has been undertaken by the secretariats of the OAU and ECA towards establishing the African Common Market called for in the Lagos Plan of Action. In order to accelerate the achievement of this objective, we envisage collaborative actions:

(i) The Ministers of Transport and Communications will be requested to give priority to the creation or rehabilitation of inter-country roads and rail links likely to encourage the growth of intra-African trade with particular emphasis on feeder and access roads particularly for easier transportation of rural produce to the market. Furthermore, we request the early completion of the various trans-African highways;

(ii) We request Executive Heads of sub-regional institutions to initiate consultations among themselves as a basis to co-ordinate their trade policies and programmes as a basis for accelerating the establishment of an African Common Market; and

(iii) We request the subregional institutions to assist the member States in the establishment of subregional commodity exchanges to provide up-to-date information of the supply and demand for African raw materials traded at the African level;

(e) Significant improvements in intra-African trade information

19. In line with recent developments in informatics, our governments will with the assistance of ITC and other UN bodies, make significant improvements in the exchange of intra-African trade information and will systematically monitor and evaluate our trade performance through the adoption of comprehensive trade information networks utilizing electronic data processing techniques. We shall also ensure the following measures: (i) according priority to African tenders for the provision of goods and services offered by our originating

from other African countries; (ii) use of African airlines and shipping lines to increase freighting and transportation of goods for intra-African trade; (iii) encourage the establishment of joint African airlines and shipping lines; (iv) providing information on appropriate pricing policies and other incentives designed to encourage intra-African trade, especially in food and food products; (v) support to African business enterprises to participate more effectively in the subregional and the All-Africa Trade Fairs including the removal of man-made obstacles to the movement of exhibits at these fairs.

(f) Linkage between intra-African trade and other sectors

20. In order to alleviate the existing weakness in institutional structures, our governments will put in place appropriate mechanisms to enable trade to be linked within national development plans through macro-marketing policy approach. Steps will be taken our governments to link trade development with progress in other sectors such as industry, agriculture, education and training, transport and communications.

(g) Enabling Environment for Private Sector Participation

21. In recognition of the key role played by the private sector in intra-African trade, our governments will devise new measures or mechanisms, incentives and support structures to encourage more effective participation of the private sector in intra-African trade promotion and expansion. To this end, private individuals and sub-regional and regional federations of chambers of commerce, industry and mines will be invited to contribute to the decision-making process for intra-African trade. Information on market research and analysis by governments and international organizations will also be made readily available to the private sector for this purpose. The World Bank's International Finance Corporation (IFC), the MIGA and the UNDP will be requested to increase its support to enhance the participation of the private sector in intra-African trade through inter-alia, diversifying production of goods and services.

(h) Increasing Counter Trade Exchanges

22. We recognize the increasing importance of counter-trade, especially in raw materials and food, as a means of reducing the need for foreign exchange for intra-African trade. Therefore, we will undertake surveys in our countries to determine the potentials for such trade as well as to establish a list or lists of goods to be exchanged under counter-trade arrangements. We shall encourage the establishment or strengthening of institutions to handle such trade.

(i) Enhancing the women's participation in intra-African trade

23. We are fully convinced that, given the potential role of women in intra-African trade, there is an urgent need to take concrete steps to enhance their participation in such trade. Therefore, we undertake to provide the necessary technical and financial assistance to women in this sector in collaboration with the relevant international organizations.

VI. REVITALIZING THE EXTERNAL TRADE SECTOR

24. In order to reverse the disappointing trends in Africa's external trade performance experienced during the 1980s, Africa's external trade strategy needs to be significantly changed or modified. The revitalization of the African export sector has to be accorded the highest priority in the strategies for adjustment and transformation. We have identified basic elements of such a strategy to include: (a) significant decrease in dependence on exports of agricultural and mineral primary commodities; (b) significant improvements in export earnings capabilities; (c) new framework for North-South trade relations; and (d) South-South trade and co-operation.

(a) Decreasing the dependence on primary commodities

25. We firmly resolve to decrease our dependence on exports of agricultural and mineral primary commodities. To this end, we undertake to implement the

following measures.

(i) develop a new dialogue with transnational corporations (TNC) to mutually agree to reverse the trends in the extractive and mining industries which now concentrate on exporting crude minerals while only a small amount of processing was undertaken. To this end, a new compact will be reached concerning the sharing of control of the processing, m and distribution of African primary commodities so as to make African Governments less vulnerable to international changes in pricing and exports of such commodities. New measures, will also be taken to increase the use of science and technology and research and development to increase the manufacture and semi-manufacture of goods for exports to the rest of the world;

(ii) Undertake, with the assistance of the International Trade Centre and the Economic Commission for Africa, new and more vigorous demand and supply and marketing studies in the industrialized countries to identify patterns that can be matched against specific African produced goods and services. In doing so, special attention will be given to the quality of the goods, price competitiveness, packaging and merchandizing as well as international trade facilitation requirements;

(iii) Undertake with the assistance of UNCTAD, ITC and ECA comprehensive studies of the patterns of trade in these synthetic substitutes that threaten African primary commodities, as well as the structure of trade in primary commodities among the industrialized countries so as to determine their impacts on the African structures of production and distribution.

(iv) Provide the business community with appropriate economic environment at the national level conducive to export promotion and diversification, including such measures as introducing export insurance and credit schemes, tax exemption for manufacture and

semi-manufacture exporters, appropriate pricing policies as well as reinforcing export support institutions.

(b) Significant improvement in Africa's export earnings

26. A critical element of our strategy is to halt the declining trends in Africa's export earnings as a matter of urgency. To this end, our governments will increase their capacities to understand the working of international market mechanisms and how these are manipulated by foreign firms and transnationals, through pricing mechanisms, and shifts in supply functions to respond to anticipated demand. We will also restructure our trade strategies with a view to facilitating the penetration of international markets at higher remunerative levels. We will therefore take the following measures:

(i) Adoption of a more aggressive export drive through the preparation of an inventory of Africa's best quality products to be subjected to a realistic policy to ensure more competitiveness of African goods in the world markets, taking advantage of possible price increases for such products;

(ii) Definition of the framework for new joint venture agreements, involving foreign as well as local investors and manufactures, under which new product brands are to be produced and exported. This should be accompanied where appropriate, by the creation of "export processing zones" and "free trade zones" that would provide an enabling environment for such production; and

(iii) Systematic evaluation of the cost structures of African exports (i.e. factor inputs, transport and communications, port facilities, shipping and air-freighting, trade representation and advertising) so as to find areas where cost reductions could be achieved. This would immediately improve the "retained value" of Africa's exports as well as their competitiveness.

(c) New Framework for Africa's Trade Relations with the North

27. During the 1990s, the strategy will focus on increasing the gains while minimizing Africa's losses from international trade. In addition to the UNCTAD forum, a platform must be found by which particular trade problems of African countries can be brought to the attention of the Group of Seven Most Industrialized Countries for appropriate support. We will persuade our trading partners to accept that their restrictive and protectionist policies against African products, while seriously harming our countries, do also have adverse repercursions, both direct and indirect, on the industrial nations.

28. Therefore, we will work towards a new structure of trade relations focusing on the following important elements:

(i) Redefining and strengthening the institutional framework for policy dialogue and negotiations between Africa and the developed countries bearing in mind the framework of UNCTAD, GATT and the ACP-EEC Convention. Such dialogue should aim at identifying new areas for North-South co-operation that can halt the economic declines in the African countries enabling them to maximize the advantages from international trade; and

(ii) An agreement setting up a new framework for the transfer, acquisition and adaptation of science and technology to Africa's trade expansion strategy and in particular, the application of the United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN-EDIFACT) so as to enhance trade between Africa and the developed countries. We shall request the donor community to assist our countries, through new and additional financing, on grant or loans on easy and soft terms, in introducing of computers in African countries to facilitate international trade. This should be accompanied by intensive training and skills up-grading in African countries in the use of new skills for trade promotion specialists and personnel in these areas.

(iii) Searching for adequate financing from the UNDP, World Bank and ADB to enable the carrying out of comprehensive supply analyses of existing and potential manufactured and semi-manufactured products in African countries that have a real export potential to form the basis for new negotiations for tariff reductions in international trade. Simultaneously, a demand and consumption analysis, including standards and quality control, should be made in the markets of industrial countries to determine the marketability of the products so identified in African countries as well as appropriate institutions and trade facilitation mechanisms.

(d) South-South Trade and Co-operation

29. In order to foster growth of the manufacturing sector and provide the impetus for promotion and expansion of mutually beneficial inter-regional trade, we will undertake the following measures:

(i) in the light of the Caracas Programme of Action on Economic Co-operation, we call upon African sub-regional economic groupings to study ways of creating preferential trade regimes between Africa and other developing regions as in the context of the Global System of Trade Preferences among Developed Countries (GSTP);

(ii) Our Governments will devise appropriate mechanisms for improving intra-regional monetary and financial arrangements in order to eventually create multilateral clearing arrangements for interregional trade facilitation and greatly enhance such trade; and will improve the flow and exchange of trade information to enable the expansion and promotion of interregional trade;

(iii) State Trading Organizations (STOs), national trade promotion organizations as well as chambers of commerce and industry, are requested to link their demand for goods and services with the supply by their counterparts in the other developing regions including

possibilities of exploitation of counter-trade opportunities where beneficial; and

(iv) Ministers responsible for transport and communications, with the full co-operation of other relevant ministries are requested to ensure more reliable systems for South-South trade using where available, national carriers of participating countries. Similarly, communications services among developing nations should be significantly improved.

(e) Women in external trade

30. Pursuant to the Arusha strategies for the Integration of Women in Development, we will undertake special measures to encourage and promote increased and more effective participation of women in external trade. To this end, we call upon International Trade Centre (ITC), United Nations Development Fund (UNIFEM), International Institute for Training and Research for the Advancement of Women (INSTRAW) and other interested organizations to provide adequate financial and technical support for training and skills upgrading of African women engaged in trade, and addressing their specific technical needs.

VII. IMPLEMENTATION AND FOLLOW-UP MECHANISMS

31. We are convinced that the implementation of these strategies requires a macro-policy approach to the promotion of domestic, intra-African and international trade, taking full account of the objective of self-reliance enbodied in the Lagos Plan of Action. Therefore, a clear analysis of market mechanisms at different levels of production and distribution is essential in order to design adequate and appropriate instruments for trade promotion and marketing. To this extent, the following follow-up mechanisms will be put in place to assist our countries, either individually or collectively, to implement the strategies:

(i) At the national level, we, the Ministers of Trade, in consultation with other Ministries, will set up, where they does not exist, an Inter-disciplinary Committee on Trade made up of senior officials from the trade, agriculture, industry, planning, finance, transport and communication and human resources development sectors, as well as the representatives of the Chambers of Commerce and Industry, and State Trading Organizations, to draw up a programme for implementing these strategies at the national level. It would be the task of that committee to ensure, inter-alia a sound functional relationship between trade and other key sectors of the economy. The Committee should also ensure that trade development is accorded high priority in the national development plans;

(ii) At the sub-regional level, a High-level Inter-Secretariat Committee made up of Executive Heads of Sub-regional economic groupings should be established supported by Directors of Trade and Research of the Inter-governmental organizations engaged in intra-African trade such as the UDEAC, PTA, SADCC, CEPGL, MRU, ECCAS, ECOWAS, CEAO and MUC. The main mandate of such a committee would be among other things, to identify common areas of interest and to implement programmes aimed at promoting trade among the various subregional groupings. The task of such a committee will also include assessing and evaluating the success of trade promotion within each subregional grouping. This committee would also be useful in the work towards the establishment of an African Common Market by using these subregional groupings as building blocks;

(iii) At the international level, the current Bureau of the Conference of African Ministers of Trade should constitute an Ad Hoc Standing Committee on Trade and should be responsible, with the support of the secretariats of ECA, Organization of African Unity (OAU), UNCTAD, ITC, and subregional trade institutions in monitoring the implementation of all internationally agreed programmes and measures in international trade of interest to Africa. This standing committee

should also foster the exchange of experiences between Africa and other countries in the development and promotion of external trade. It should also have the mandate, where appropriate, to contact, on behalf of individual countries or sub-regional groupings, selected industrialized countries to discuss mutual programmes in international trade and facilitation. The committee will work closely with the ACP secretariat as well as the Group of 77 to ensure co-ordination of efforts and programmes.

33. We request the Executive Secretary of ECA to initiate contacts with relevant international organizations in order to implement these strategies. We also request the Executive Secretary of ECA, in collaboration with other relevant international organizations and the standing committees established by member States under paragraph 32 (i), (ii) and (iii), to submit a progress report to all future meetings of the Conference of African Ministers of Trade on the implementation of these strategies.